



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen

**SUBJECT: SALE OF CITY-OWNED
PROPERTY TO SANTA CLARA
VALLEY WATER DISTRICT**

DATE: 06-15-09

Approved

Date

6/17/09

COUNCIL DISTRICT: 3

SNI: Washington

RECOMMENDATION

Adoption of a resolution:

- a. Declaring the vacant 0.118 acres of City-owned property west of McLellan Avenue at Edwards Avenue surplus to the needs of the City;
- b. Authorizing the sale of the property to an adjoining property owner, Santa Clara Valley Water District, for \$157,000.

OUTCOME

Adoption of this resolution will declare the approximate 5,140 square foot (0.118 acre) City-owned property (Assessor Parcel 264-48-001) on the west side of McLellan Avenue at Edwards Avenue surplus to the needs of the City and approve the sale agreement transferring the property to the Santa Clara Valley Water District.

BACKGROUND

The subject property was purchased by the City on February 28, 1941, from the tax collector of the County of Santa Clara. The property has been retained for possible trail needs for the Guadalupe Reach 6, Highway 280 to Willow Street. The Guadalupe River Trail Reach 6 Master Plan, Highway 280 to Willow Street was approved by Council in October 2004. The plan includes realigning the river farther to the east in a portion of the reach area. This property is within that area and is anticipated to become part of the new river alignment. The master plan for this reach has realigned the trail to the west side of the creek and this property is no longer required for trail purposes.

Municipal Code Section 4.20.50 permits the City Council to declare City-owned property surplus to the needs of the City and to authorize the sale of that property to the owner or owners of property adjacent to such City property at private sale for the fair market value, without notice, subject to such terms and conditions as the Council may in its discretion provide. The grantee, Santa Clara Valley Water District, is the adjacent property owner.

For the reasons outlined above, the proposed sale of this property has not followed the standard process for surplusing and selling city property.

ANALYSIS

The City parcel being proposed for sale is located on the west side of McLellan Avenue at Edwards Avenue. A parcel map has been attached as Exhibit A.

San José Municipal Code Section 4.20.050 allows the City to transfer title at private sale at fair market value to the District as owner of the adjacent property. The District will be realigning the Guadalupe River in this general location as part of the Guadalupe River Reach 6 project. This property will be within the realigned river.

The property was appraised for the sales price of \$157,000.

EVALUATION AND FOLLOW-UP

The transfer of the subject property is anticipated to be completed within 30 days of approval by Council.

POLICY ALTERNATIVES

Alternative # 1: Reject the sale of the property and continue City ownership.

Pros: By retaining the property, City retains the ability to develop the property for future municipal purposes.

Cons: The property will be within the realignment area of the river, the City will continue to incur costs for maintenance of the property and the ongoing liability for repairs and safety.

Reason for not recommending: Continuing ownership of the property will result in continuing maintenance expenses and potential liability. No future municipal uses have been identified.

PUBLIC OUTREACH

- ☐ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**

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- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This action does not meet any of the above listed criteria; however it will be posted on the City's website for the June 23, 2009, Council agenda.

COORDINATION

This memorandum has been coordinated with the Parks, Recreation and Neighborhood Services Department, City Manager's Budget Office and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT


This sale is in alignment with *1h-Asset Management, Investment Strategies, Mayor's Budget Message, March 13, 2009.*

COST SUMMARY/IMPLICATIONS

The City's cost for the sale of the property will consist of staff time to prepare the sales documents and complete the transaction. The buyer will pay any title, tax and recording fees.

CEQA

CEQA: Resolution to be adopted.


KATY ALLEN
Director, Public Works Department

For questions please contact PHIL PRINCE, DEPUTY DIRECTOR, at (408) 535-8300.

Attachment

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